

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

<p>In re:</p> <p>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</p> <p>as representative of</p> <p>THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i></p> <p>Debtors.¹</p>	<p>PROMESA Title III</p> <p>No. 17 BK 3283-LTS</p> <p>(Jointly Administered)</p> <p>Re: ECF No. 20605</p>
<p>In re:</p> <p>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</p> <p>as representative of</p> <p>PUERTO RICO ELECTRIC POWER AUTHORITY,</p> <p>Debtor.</p>	<p>PROMESA Title III</p> <p>No. 17 BK 4780-LTS</p> <p>Re: ECF No. 2785</p>

**URGENT MOTION OF FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD TO EXTEND JUNE 1, 2022 DEADLINE**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To The Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as Title III representative of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”) in this Title III case pursuant to section 315(b) of the *Puerto Rico Oversight, Management and Economic Stability Act* (“PROMESA”),² respectfully submits this urgent motion (the “Urgent Motion”) for an order extending the deadline for the Oversight Board to comply with certain directives in the Court’s April 25 Order,³ and represents as follows:

RELIEF REQUESTED

1. Through this Urgent Motion, with the concurrence of the Mediation Team (defined below), and the consent or non-objection of each Mediation Party (each as defined below) other than the Official Committee of Unsecured Claimholders appointed in this Title III Case (the “UCC”), the Oversight Board respectfully requests the Court to enter an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”) extending through July 1, 2022 the current June 1, 2022 deadline for the Oversight Board to file either (a) a plan of adjustment, (b) a term sheet for a plan of adjustment, (c) a litigation schedule, or (d) a declaration and memorandum of law showing cause why the Court should not consider dismissal of PREPA’s Title III case, consistent with the Court’s directive in its April 25 Order.

² PROMESA is codified at 48 U.S.C §§ 2101–2241.

³ See *Order Granting Urgent Consensual Motion of Financial Oversight and Management Board to Extend May 2, 2022 Deadline* [ECF No. 2785] (the “April 25 Order”), extending through June 1, 2022, the deadlines initially established in the *Order Denying Urgent Motion of the Ad Hoc Group of PREPA Bondholders to Appoint a Mediator and Impose Deadlines for a PREPA Plan of Adjustment and Directing Additional Consultation and Filings* [ECF No. 2748] (the “March 8 Order”).

BACKGROUND

2. On March 8, 2022, the Court entered the March 8 Order directing the Oversight Board to file an indication of its proposed path forward to conclude PREPA's Title III case by May 2, 2022 (as amended or modified from time to time, the "Path Forward Deadline"), including by filing a proposed plan, a plan term sheet, a litigation schedule, or a brief showing cause why PREPA's Title III case should not be dismissed. *See* March 8 Order, ¶¶ 12–13. The first three options were to be accompanied by either a confirmation timetable or litigation schedule. *Id.*

3. On April 8, 2022, the Court entered the *Order Appointing Mediation Team* [ECF No. 2772] (the "Appointment Order") appointing a team of judicial mediators (the "Mediation Team") to facilitate consensual resolution of the issues in PREPA's Title III Case. The Mediation Team is led by Judge Shelley C. Chapman, joined by Judge Robert D. Drain and Judge Brendan L Shannon. Appointment Order, ¶ 2. The Court also designated the following parties as mediation parties (the "Mediation Parties"): (a) the Oversight Board, (b) AAFAF, (c) the Ad Hoc Group of PREPA Bondholders (d) National Public Finance Guarantee Corp. ("National"), (e) Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (together, "Assured"), (f) Syncora Guarantee, Inc. ("Syncora"), (g) La Union de Trabajadores de La Industria Electrica y Riego ("UTIER"), (h) PREPA's retirement system ("SREAEF"), (i) the UCC, and (j) PREPA's fuel line lenders. *Id.*

4. That same day, the Court entered the *Order Establishing the Terms and Conditions of Mediation* [ECF No. 2773] (the "Terms and Conditions Order," and together with the Appointment Order, the "Mediation Orders") directing that mediation shall terminate on June 1, 2022, at 11:59 p.m. (Atlantic Standard Time), unless extended to July 1, 2022 (as applicable, the "Termination Date").

5. Upon the motion of the Oversight Board, because the Terms and Conditions Order provided an initial Termination Date for mediation of June 1, 2022, the Court entered the April 25 Order, extending the Path Forward Deadline to June 1, 2022. Pursuant to the Terms and Conditions Order, the Termination Date may be extended without Court approval at the Mediation Team's discretion to a date no later than July 1, 2022.

BASIS FOR RELIEF

6. Since the entry of the Mediation Orders, the Mediation Team and the Mediation Parties have engaged in numerous mediation sessions. Mediation remains ongoing as the parties continue to determine whether a consensual plan of adjustment is attainable.

7. The Oversight Board anticipates the Mediation Team will extend the Termination Date to July 1, 2022. In connection with this expected extension, the Mediation Team has informed the Oversight Board it concurs with the Oversight Board's request to extend the Path Forward Deadline. The Oversight Board believes it is in the parties' best interests to extend the Path Forward Deadline concurrently to July 1, 2022, to provide the Mediation Parties and the Mediation Team more time to conduct mediation without litigation. It should enable the Oversight Board to present the Court with a better informed statement of the path forward concurrently with the conclusion of mediation.

8. The Oversight Board has contacted counsel for each Mediation Party regarding the requested extension, and each of them has consented or confirmed it does not object, with the sole exception of counsel to the UCC who has informed the Oversight Board the UCC does not consent to the requested extension. The Oversight Board understands the UCC intends to file an objection to this Urgent Motion later today.

**Certification of Compliance with
Local Rule 9013-1 and the Sixteenth Amended Case Management Procedures**

9. Pursuant to Paragraph 1.H of the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [Case No. 17-BK-3283-LTS, ECF No. 20190-1] (the “Case Management Procedures”), the Oversight Board hereby certifies it has carefully examined the matter and concluded there is a true need for an urgent motion; it has not created the urgency through any lack of due diligence; has made a bona fide effort to resolve the matter; has made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court, and, except as otherwise described herein, no party opposes the relief requested herein.

NOTICE

10. Contemporaneously with filing the Urgent Motion, the Oversight Board is providing notice of this Urgent Motion in accordance with the Case Management Procedures to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for PREPA’s bonds; (c) the administrative agent(s) for lenders under that certain Credit Agreement, dated as of May 4, 2012, among PREPA, Scotiabank de Puerto Rico, and the lenders party thereto, as amended, and that certain Trade Finance Facility Agreement, dated as July 20, 2012; (d) the statutory unsecured claimholders’ committee appointed in this Title III Case; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to AAFAF; (g) the Puerto Rico Department of Justice; (h) all parties filing a notice of appearance in this Title III case; and (i) all other Mediation Parties. A copy of the Motion is also available on the Debtor’s case website at <https://cases.ra.kroll.com/puertorico/>.

11. The Oversight Board submits that, in light of the nature of the relief requested herein, no other or further notice need be given.

WHEREFORE the Oversight Board requests the Court enter the Proposed Order and grant it such other and further relief as is just.

Dated: May 25, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Paul V. Possinger

Martin J. Bienenstock

Paul V. Possinger

Ehud Barak

Daniel S. Desatnik

(Admitted *Pro Hac Vice*)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

Email: mbienenstock@proskauer.com

ppossinger@proskauer.com

ebarak@proskauer.com

ddesatnik@proskauer.com

*Attorneys for the Financial
Oversight and Management Board
as representative for PREPA*

/s/ Hermann D. Bauer

Hermann D. Bauer

USDC No. 215205

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

Email: hermann.bauer@oneillborges.com

*Co-Attorney for the Financial Oversight and
Management Board as representative for
PREPA*

CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/ Hermann D. Bauer
Hermann D. Bauer

EXHIBIT A

Proposed Order

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Re: ECF Nos. 20605 and _____

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY,

Debtor.

PROMESA

Title III

No. 17 BK 4780-LTS

Re: ECF Nos. 2785 and _____

**[PROPOSED] ORDER GRANTING URGENT
MOTION OF FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD TO EXTEND JUNE 1, 2022 DEADLINE**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Upon the *Urgent Motion of Financial Oversight and Management Board to Extend June 1, 2022 Deadline* (Docket Entry No. ____ in Case No. 17-3283 and Docket Entry No. ____ in Case No. 17-4780, the “Urgent Motion”);² and the Court having found the Oversight Board provided adequate and appropriate notice of the Urgent Motion under the circumstances and that no other or further notice is required; and upon the record herein, after due deliberation thereon, the Court having found good and sufficient cause exists for granting the relief set forth herein:

1. The Urgent Motion is **GRANTED** as set forth herein.
2. The Court extends through **July 1, 2022** the deadline for the Oversight Board to file either (a) a plan of adjustment, (b) a term sheet for a plan of adjustment, (c) a litigation schedule, or (d) a declaration and memorandum of law showing cause as to why the Court should not consider dismissal of PREPA’s Title III case, as set forth in the Court’s April 25 Order.
3. This Order shall take immediate effect and be enforceable upon its entry.
4. The Court shall retain jurisdiction to hear and determine all matters arising from implementation of this Order.

Dated: _____, 2022

SO ORDERED:

HONORABLE LAURA TAYLOR SWAIN
United States District Judge

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Urgent Motion.